

## Wiltshire Council

### Schools Forum Finance & SEN Working Group 22 May 2023

### Schools Forum 8 June 2023

---

#### Annual Schools Consultation

- *Delegation of Central Expenditure 2024-25*
- *Funding for Education Functions 2024-25*
- *Transfer of funding from Schools Block to High Needs Block 2024-25*

#### Purpose of report

1. To brief Schools Forum and agree a set of questions to be sent out to all schools in the Autumn of 2023.

#### Background - De-Delegation of Central Expenditure

2. In order to give schools greater choice over how to spend their budgets, Local Authorities are required to work on the basis that services within the notional Dedicated Schools Grant (DSG) Schools Block, and the funding for them, should be delegated to schools in the first instance.
3. This means that a number of DSG funded budgets that have previously been retained centrally must now be delegated to schools. There are a number of exceptions to this and there are also a number of budgets that maintained primary and/or secondary schools can agree to *de-delegate* so that they continue to be provided centrally.
4. De-delegation cannot be applied to amounts delegated to academies or to special schools. Delegation or de-delegation cannot be agreed on an individual school basis for maintained schools but can be agreed by phase so a different outcome can be agreed for primary and secondary schools. Approval for de-delegation is by the relevant phase members of Schools Forum following responses to this consultation.
5. A consultation document will be sent out to all maintained schools in the autumn to seek views on the delegation of central budgets. The budgets/services being consulted on are as follows:
  - Free School Meal Eligibility Service
  - Licences (Access Budget Planning)
  - Trade Union Facilities costs
  - Maternity costs
  - Ethnic Minority Achievement Service
  - Travellers Education Service
  - Behaviour Support Service

6. There are a number of outcomes that could flow from the proposals to delegate the budgets. These include:
  - a. Following consultation, maintained schools agree that budgets should be de-delegated and retained centrally by the LA with services provided to all maintained schools;
  - b. Schools agree that budgets should be delegated, and schools make/purchase their own provision as appropriate;
  - c. Schools agree that budgets should be delegated, and they then cluster together to purchase or deliver services.
7. Under scenario (a) the LA would be able to retain a level of service to provide to maintained schools, gaining from the economies of scale through this arrangement. The size of the service may need to be scaled back over time as the number of academies increases.
8. Under scenarios b and c the LA would not be able to continue to deliver a service unless there is sufficient buy back on a traded basis from schools (maintained or academy) to enable retention of sufficient staff. This will be difficult to predict, and the LA will need to decide whether it can afford to continue to deliver services centrally on a fully traded basis with full cost recovery. This would require a risk assessment.
9. **Appendix 1** to this report lists the consultation questions.

### **De-Delegation for School Improvement Functions**

10. Following consultation last year, the DfE have reduced the Local Authority Monitoring and Brokering Grant (LAMB) in full 2023-24. Local authorities have the opportunity to fund improvement services through either de-delegation or on a traded basis.
11. A local consultation exercise was undertaken in advance of the 2023-24 year to determine whether maintained schools would elect to de-delegate funding from their budgets to support the loss in the LAMB grant.
12. The annual grant had stood at £459,000 in the 2021-22 year and was reduced by 50% in 2022-23 and fully removed in 2023-24. In 2022-23, maintained schools de-delegated funding of £9.39 per pupil and in 2023-24, this was £19.63 per pupil.
13. The new Head of the School Improvement team has been working with Primary and Secondary school leaders to set out proposals regarding options for the delivery of the service from 2023-24, in order to understand the most appropriate route to fulfil their needs.

## Background – Transfer of Schools Block to High Needs Block 2024-25

14. Schools Forum will recall a transfer of 0.5% of School Funding was agreed to contribute to the High Needs Block recovery plan in the 2023-24 financial year. A transfer of funding has historically been agreed each year, where this has been affordable within the 'cash envelope' for school funding and the NFF has been applied.
15. There is a Government commitment to increase schools revenue funding again for 2024-25 which includes national increases in both Schools Funding and funding for High Needs.
16. The HNB overspend for 2018/19 was £4.8m, 2019-20 was £9.1m, 2020-21 was £11.507m, for 2021-22 was £8.948 and for 2022-23 was £13.499m, which correlates to the continuing rise in request for new Education and Health Care Plans (EHCPs) and banding / funding increases. At the end of the 2022-23 financial year, the DSG reserve held a cumulative £34.685m deficit (includes EY adjustment).
17. Although the deficit is supported by a recovery plan, this is a long-term programme of change. The requirement for significant additional funding at national level is clear and acknowledged by the DfE.
18. The forecast position for 2023-24 is subject to another report but shows an overspend once again and should this come to fruition the DSG deficit reserve will be even greater which is becoming unsustainable for the local authority to cashflow.
19. For this reason, it is recommended that we seek views of all schools on the questions in **Appendix 3** which covers a range of options ranging from transferring funding from Schools Block.

## Proposals

20. That Schools Forum decide on the consultation questions for maintained schools around delegation/de-delegation of budgets for central services and School Improvement within the schools' block. Appendix 1 & 2.
21. That Schools Forum decide on the consultation questions for all schools around setting the 2024-25 Schools Budget. Appendix 3.

---

Report author:  
Grant Davis, Schools Strategic Financial Support Manager  
01225 718587  
[grant.davis@wiltshire.gov.uk](mailto:grant.davis@wiltshire.gov.uk)

## Appendix 1 – De-Delegation Questions

<b>DfE Heading</b>	<b>Wiltshire Budget</b>	<b>Delegate?</b>	<b>Retain Centrally?</b>
Free school meals eligibility	Free School Meals Eligibility Service		
Licences/subscriptions	HCSS Licence		
Staff costs – supply cover	Trade Union Duties		
	Maternity Costs		
Support for minority ethnic pupils and underachieving groups	Ethnic Minority Achievement Service (EMAS)		
	Traveller Education Service		
Behaviour support services	Primary Behaviour Support Service		

## Appendix 2 – De-delegation for School Improvement Functions Questions

Please rank your preferred options below in order of preference, where 1 is your preferred option and 5 is your least favoured option? (Schools are currently funding at the 100% rate)

<u>Options</u>	<u>Impact in School Effectiveness</u>	<u>Cost to Schools</u>	<u>Amount per pupil</u>	<u>Rank</u>
Schools don't fund any loss of LAMB	Reduction in Services - £459k	£0	£0	
Schools fund 50% loss of LAMB	Reduction in Services - £229.5k	£229,500	£9.81	
Schools fund 75% of LAMB	Reduction in Services - £114,8k	£344,250	£14.72	
Schools fund 87.5% of LAMB	Reduction in Services - £57.3k	£401,625	£17.17	
Schools fund 100% of LAMB	Existing service maintained	£459,000	£19.63	

**Amount per pupil to be updated based upon maintained pupil numbers**

## Appendix 3 –2024-25 Schools Consultation:

### Background

- *The High Needs block overspent by £4.8m in 2018/19, by a further £9.1m in 2019/20, by £11.5m in 2020/21, by £8.948m in 2021-22 and £13.499m in 2022-23, with a further forecast to overspend in 2023/24.*
- *There is a £34.685m deficit DSG reserve on the Council's balance sheet – the forecast 2023/24 overspend will increase this deficit further.*
- *EHCP's have been increasing by an average of over 11% annually mirroring the national level, before taking into account any impact from Covid.*
- *The LA is working with schools and settings and is taking actions to address the level of overspend. Many of these actions require a partnership approach and require planning and change management in order to achieve long term success.*

*The DSG is ringfenced and therefore to manage this overspend, it is suggested an amount is transferred from the Schools Block to the High Needs Block as in the previous three years.*

**Q1 a) Taking the factors above into account, do you support a transfer of funding from the School Block to the High Needs Block, where it can be afforded within the overall 'cash envelope' for schools funding and application of the National Funding Formula?**

<b>Yes</b>	
<b>No</b>	

**b) If you support a transfer, please indicate the amount: (amounts to be updated for latest pupil numbers)**

<b>Value to Transfer</b>	<b>£/Pupil</b>	<b>Please select</b>
£0.0m (0.0%)	£0.00 / pupil	
£0.5m (0.144%)	£7.76 / pupil	
£1.0m (0.288%)	£15.51 / pupil	
£1.72m (0.5%)	£26.68 / pupil	

**c) No transfer of funding from the Schools Block to the High Needs Block for 2024-25.**

**This decision is on the understanding that High Needs funding and support, currently provided to schools, may have to be reduced to help towards balancing the High Needs Block budget?**

<b>Agree to transfer funds</b>	
<b>Agree NOT to transfer funds</b>	

**d) Would you prefer to see a hybrid of the options above. This would involve a partial transfer from Schools Block to top up the High Needs Block along with a partial reduction in High Needs funding and support provided to schools.**

<b>Yes</b>	
<b>No</b>	

**2) If you do not agree to the transfer of funds or the reduction of top-up funding levels, how else do you suggest that we fill the funding gap that we have for High Needs?**

---

--

---